

**Water/Wastewater Commissioners’
Meeting Minutes
November 18, 2013**

Present: Robert E. Courage, Chairman
Dale A. White, Vice-Chairman
Michael E. Putnam, Member
David Boucher, Director
Evelyn Gendron

Call to Order:

Chairman Courage called the meeting to order at 6:15 p.m.

Appointments:

Public Hearing – Water Rate Increase – Chairman Courage introduced himself and stated this is a public hearing to consider a water rate increase. He introduced those seated at the conference table: Mr. Dale White, Vice-Chairman, Board of Water and Wastewater Commissioners, Mr. Michael Putnam, Water and Wastewater Commission Member, Mr. David Boucher, Director, Milford Water Utilities, Mr. Jack Sheehy, Director of Financial Operations, Town of Milford, William Drescher, Esquire. Upon reading the public hearing notice, attached to these minutes as a permanent record, Chairman Courage asked Director Boucher to explain the first page of the informational hand-outs prepared. Listed below are planned Water Utilities Department’s capital improvement projects, for which Mr. Boucher gave a brief overview:

Water Meter Replacement, 2014
George Street Water Main Upgrade, 2014
Prospect Tank, Rehabilitation or Replacement, 2014
Dram Cup Storage Tank Interior Resurfacing, 2014
New Water Source Development, 2014, 2015, 2016...and potentially beyond
King Street Water Main Upgrade, 2015
Ford Street Water Main Upgrade, 2016

Mr. Boucher explained that an engineering firm had performed a comprehensive water rate study in 2009 which included projections and recommendations through 2015, citing the need for incremental water rate increases. He said historical and current expense and revenue data have been assessed. Mr. Boucher referenced the projected water rate calculation hand-out and for years 2013 through 2016, explained the following line items: Total Annual Revenue Required, the Annual Revenue Required From Rates, the Water User

Fees, the Total Annual Revenue Required From Rates, and the predicted revenue shortfalls. Mr. Boucher said the current water rate is \$1.97/100 cubic feet of water usage. The commissioners are proposing and considering a 10% increase to \$2.16/100 cubic feet of water usage. Projections indicate a 10% increase in current water rates would mean an increase of \$25.40 per year for the average water customer. Mr. Boucher explained a revenue shortfall is anticipated with such a proposed 10% increase, albeit a lesser shortfall for coming years:

2013: \$166,560
2014: \$ 31,857
2015: \$ 55,376
2016: \$ 56,902

Mr. Boucher addressed questions posed by Mr. and Mrs. Piedra of Ridgefield Drive, being present, of past water & sewer rate increases and how Milford rates compared to other towns. The previous water rate increase was effective January 1, 2010. Commissioner Putnam explained that the Water Utilities Department must function as a business by closely overseeing revenues and expenses. He explained the commissioners delayed proposing this 10% increase previously due to the economic downturn despite the engineering firm's 2009 calculations, projections and recommendations. He said the commissioners are water customers as well. He said the water system cannot be maintained properly without adequate revenue and timely accounting adjustments. Chairman Courage explained that the Water Utilities Department is unlike other Town departments which receive revenue via town meeting. Should the Water Utilities Department not raise sufficient revenue, cutbacks must be made. Financial reports are reviewed monthly. Attorney Drescher explained that not every water customer in Milford is billed for sewer charges and that infrastructure costs differ. In Milford only rate payers support the water and sewer systems. Chairman Courage explained that costs depend on the number of customers, that a town with a smaller distribution system would experience less operational costs, and that every water system has unique requirements, for instance if there is surface water, if the system is gravity fed, the level of process treatment mandated by regulatory agencies, etc. Mr. Courage explained that Milford's water distribution system began in 1889 and that older water main sections have been replaced. He said the practice of planning and replacing water mains must continue proactively. Aging water storage tanks are regularly inspected and assessed as well. Mr. Sheehy explained revenue from the hydrant rental fees.

Chairman Courage explained the three commissioners meet every other week at the Water Utilities Department, 564 Nashua Street, and that Director Boucher oversees the day-to-day departmental operations. Mr. Sheehy explained that the public hearings to consider rate increases are held as needed, when the financial statements deem them to be required. Chairman Courage said every three years, typically. Vice-Chairman White said the commissioners understand the difficulty of experiencing an increase in user fees that may not coincide with a wage increase. He said he also would prefer not to experience an increase in his water billings, however, he also understands the need to avoid allowing Milford's valuable water system deteriorate, especially given the level of environmental, state and federal mandates. Answering the question of staff wage increases, Mr. Boucher explained that personnel wages are included in the annual general operating budget. Commissioner

Putnam said there will be public budget hearings for town and school budgets and suggested residents feel free to attend to make inquiries and to be sure their opinions are heard.

At 6:50 p.m. Commissioner Putnam made the motion to adopt the suggested 10% water rate to become \$2.16/100 cubic feet of water usage increase effective with invoices rendered January 1, 2014. Vice-Chairman White seconded the motion. The vote was unanimous.

Adjournment:

Chairman Courage motioned to adjourn the meeting at 6:55 p.m. Vice-Chairman White seconded. All voted in favor.

Robert E. Courage, Chairman

Date

Dale A. White, Vice-Chairman

Date

Michael E. Putnam, Commissioner

Date

State of New Hampshire
Town of Milford
Board of Water and Wastewater Commissioners

NOTICE OF PUBLIC HEARING

NOTICE is hereby given that, pursuant to the authority granted to the Board of Water and Wastewater Commissioners by RSA 38:28, the board will consider a **water rate increase** at a public hearing which will be held by said Board of Water and Wastewater Commissioners at **Milford Town Hall, in the Board of Selectmen's Meeting Room**, on the **18th** day of **November, 2013** at **6:00** p.m. The public is invited to attend said hearing and an opportunity will be provided for public comment.

Given under our hands this 1st day of October, 2013.

Town of Milford
Board of Water and Wastewater
Commissioners

Robert E. Courage, Chairman

Dale A. White, Vice-Chairman

Michael E. Putnam, Member